

## FINANCIAL REALITIES ABOUT THE PROPOSED NEW EAST LETHBRIDGE CHURCH

I believe a lot of parishioners who are in favour of the new East Lethbridge church are not aware of the full costs and ramifications of this proposal. Not only has the intent all along been to sell all three of the existing churches, but also the financial costs have never been fully or transparently explained. I have done some calculations regarding the financial realities.

The budget amount that was put forward many years ago was \$ 21,000,000. Now generally when consultants provide budgets for new buildings, these budgets **do not include** the cost of land or services, since these costs are not known to them at the time. I will not include the land and servicing costs in the my calculations, but remember these will increase the cost substantially.

From Statistics Canada data, **construction costs for non-residential buildings has increased by 34%** in the last five years alone. Just using this five year increase would put the present construction cost at \$ 28,000,000. (If land and servicing costs are included this figure would be far above \$ 31,000,000).

It is diocesan policy that 50% of the total cost needs to be raised before construction can start. The amount that needs to be raised by donations would be \$ 14,000,000. The amount in the building fund to date is approximately \$ 7,000,000 and it took well over twelve years to raise! How long will it take to raise the additional \$ 7,000,000? Remember, all the time that additional fund raising is taking place, construction costs will keep rising. The rise in costs from inflation alone, presently at 5.9% per year, will raise the cost by over \$ 1,500,000 each year while fundraising and waiting for construction to start.

If the new church were to be built starting right now, then lets consider the cost of the mortgage. A mortgage loan amount of \$ 14,000,000 at a 6% interest rate, for a period of 25 years, would require a monthly payment of about \$ 90,000. That would be \$ 1,080,000 paid every year for 25 years.

From All Saints Parish financial statements, the total revenue income for 2022 was \$ 1,075,096. This amount is required to cover the existing expenses, which would remain constant even with a new building, and adding the \$ 1,080,000 yearly mortgage payment, **would require all the members of the parish to double their contributions for the next 25 years!**

Are parishioners willing and able to take on this burden? We have three churches now that are paid for and they could be easily repaired and maintained for a far smaller amount than \$ 28,000,000!